

Over a million jobs lost in Spain amid coronavirus pandemic

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Around 1.35 million jobs have been destroyed in Spain since the start of the coronavirus crisis six months ago. Millions of lives are being shattered as the ruling class escalates its assault on jobs, wages and conditions.

According to the Spanish National Statistics Institute (INE), 1,074,000 of these jobs were lost in the second quarter of 2020 alone, between April and June. This is the largest quarterly fall in employment in Spain since records began in 1976, far exceeding the 770,899 jobs lost in the first three months of 2009, after the global financial crash. In April to June this year, 11,800 jobs were lost on average every single day in Spain.

This employment massacre comes after around 285,000 workers lost their jobs in the first quarter of 2020, as the impact of the COVID-19 outbreak began to make itself felt in Europe and lock-down measures were initially put in place. Spain went into lock-down on March 16 and ended all its coronavirus restrictions on June 22 with its declaration of the “new normal”, before re-imposing some local confinement measures in July as COVID-19 cases spiked.

A further 1 million workers are still furloughed under the Podemos-Socialist Party (PSOE) government’s ERTE scheme, with these workers officially considered “employed”. With this scheme set to come to an end in September, and many of these jobs now existing only on paper, the unemployment rate will likely rocket up again in the autumn.

The services sector has been by far the worst hit, losing 816,900 jobs in the second quarter. Industry lost 127,000, with construction (-108,700) and agriculture (-21,400) also severely impacted.

Catalonia—the region worst affected by the coronavirus pandemic in terms of total cases, and second worst in terms of total number of COVID-19 deaths, after Madrid—lost the greatest number of jobs, at 223,700. At least a further 25,000 jobs are known to be at stake in

Catalonia, with car-maker Nissan planning on closing its Barcelona auto-factory. Andalusia, one of Spain’s poorest regions, saw a decrease of 198,100 jobs, with the Madrid region also losing 184,000.

Spain now has the highest official unemployment rate in the European Union (EU) according to statistics agency Eurostat, at 15.6 percent, followed by Greece (15.5 percent), Latvia (10.1), Cyprus (9.8) and Sweden (9.3). Across all of the EU’s 27 member states, Eurostat estimates that over 15 million people are now jobless, with a total unemployment rate of 7.1 percent.

Youth unemployment (for workers under 25) in Spain is also the highest in the European Union, standing at a staggering 40.8 percent in June, far more than double the EU’s average (16.8 percent). This is again followed by Greece on 33.6 percent, Sweden (28.7), Italy (27.6) and Luxembourg (26.7).

Globally, 16 percent of young people were out of work between February and May due to the effects of the coronavirus pandemic, according to the International Labour Organization (ILO). Young people who were “lucky” enough to keep their jobs saw their working hours fall 23 percent. Young people in employment were also more likely work in jobs that leave them vulnerable, such as low-paid occupations, informal sector work or as migrant workers, said the ILO.

The pandemic has dealt a devastating blow to workers in Spain, whose pay and working conditions had already been degraded by decades of relentless attacks. Short-term contracts, low pay and underemployment proliferated in Spain even before the outbreak of coronavirus. According to the ILO, from 2009 to 2017, real wages fell by around €3,200 per person per year.

In 2019, 5.2 million workers in Spain were underemployed and wanted to be working more hours than they were currently contracted to do—22.2 percent of the working population. Many other workers had only

short term contracts, with only six percent of the contracts signed in 2019 being indefinite. More than one in three short-term contracts was for a duration of less than a week. Nearly one in three people (28.27 percent) were working three or more contracts at a time.

The impact of the coronavirus pandemic has further accelerated these trends towards poverty-pay, precariousness and unemployment. Intermón Oxfam estimates that 700,000 people will fall into poverty this year in Spain. There are now 1.15 million families in Spain in which all of the members are unemployed, an increase of 7 per cent on the first quarter of this year and the largest increase in familial unemployment since 2012.

Official unemployment figures are themselves highly misleading. While millions of jobs have been destroyed and hundreds of thousands are falling into poverty, the Spanish government reported a rise in unemployment of ‘only’ 55,000 in the last quarter, bringing the official number of unemployed in Spain to 3.4 million.

Not only are workers furloughed under the ERTE scheme counted as “employed”, but workers who lose their jobs are required to be actively looking for work to be classified as “unemployed.” But due to confinement measures during the pandemic and widespread closures of businesses, over 1.6 million Spaniards were unable to look for work for months. They were therefore classified as “inactive,” not unemployed.

In fact, according to the INE, only a third (35 percent) of the working-age population were actually working in the second quarter, or 13.9 million people, pointing to the scale of the social catastrophe hitting the working class. In this period, the Spanish government registered 18.6 million people as being “employed”. This means around 4.7 million fell under the radar and were unable to work for other reasons—being on ERTE, being absent due to sickness or being self-employed workers who had to close their businesses. This brings the true number of jobless workers to over 8 million.

In July, Spain’s labour minister, Podemos member Yolanda Díaz, stated that the government intended to extend the ERTE furlough scheme beyond its current September cut-off date for the sectors worst hit by the pandemic: tourism, aviation, maritime, leisure and culture. “It would not make sense to undertake this gigantic, unprecedented effort in the Spanish economy [to preserve jobs],” she said, “and then just let things fall away.”

Díaz has reportedly also asked Brussels for a €20 billion funding package from the EU’s SURE (Support to

mitigate Unemployment Risks in an Emergency) programme to help finance the ERTE scheme.

Díaz’s promises are worse than meaningless. Already the Spanish government has laid out plans to steadily cut back on furlough payments from 70 percent of workers’ wages to 35 percent by September, or to 25 percent for workers in companies with more than 50 employees. Any proposed extension to this scheme would still leave vast swathes of the working class with almost nothing.

In an indication of the cynicism of the PSOE-Podemos government’s supposedly “unprecedented” effort to save jobs, in March Díaz claimed that Madrid would enact legislation to keep companies from “taking advantage of the health crisis to lay off [their employees].” Four months later, over a million jobs have been lost—something Díaz declared “impossible” under her plans.

The ruling class in Spain and internationally is sitting atop a social powder keg, as protests and strikes grow against these historic attacks on workers’ living conditions and jobs. Having advocated a criminal, anti-scientific policy of “herd immunity”, forcing workers back into factories and offices to die in the service of their profit-making, the financial aristocracy is slashing jobs with just as little concern for workers’ lives.

The most explosive situation is emerging in America, where support payments for workers are being suspended this month, threatening tens of millions with hunger and eviction. Already this year protests against police violence that began in the United States spread like wildfire across Europe and worldwide, indicating the explosive social conditions internationally.



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